Community transmission of the coronavirus disease (COVID-19), related containment restrictions, and damage from social unrest in 2021 hampered economic activity in Solomon Islands during 2022. To support economic recovery, the Asian Development Bank (ADB) is assisting the Government of Solomon Islands to invest in transport, water supply, energy, urban infrastructure and services, education, health, and public sector management.

To date, ADB has committed 121 public sector loans, grants, and technical assistance totaling $421.9 million to Solomon Islands. Cumulative loan and grant disbursements to Solomon Islands amount to $237.35 million. These were financed by concessional ordinary capital resources, the Asian Development Fund, and other special funds. ADB's ongoing sovereign portfolio in Solomon Islands includes 5 loans and 9 grants worth $160.8 million.1

In 2022, ADB approved a $3-million grant to prepare the Honiara Sustainable Solid Waste Management Project, and a $5-million concessional loan and $5-million grant for Subprogram 1 of the Fiscal and Economic Recovery Program to support policy reforms and economic recovery.

In 2021, ADB approved a multitranche financing facility totaling $74.5 million in grants and $74.4 million in loans for the Land and Maritime Connectivity Project (LMCP) to construct roads and wharves. A grant of $6 million for the Transport Sector Project Development Facility finances the design and implementation readiness of LMCP. ADB also approved a $5.5-million grant and $10 million in cofinancing from Australia and New Zealand for the Domestic Resource Mobilization Project to support tax reform. Additional financing of $5 million from the Global Environment Facility.

ADB supports Solomon Islands’ recovery from the COVID-19 pandemic through investments in economic and social infrastructure and public sector management reforms.

### Solomon Islands: 2022 Commitments ($ million)*

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>5.00</td>
<td>–</td>
<td>5.00</td>
</tr>
<tr>
<td>Grants</td>
<td>8.00</td>
<td>–</td>
<td>8.00</td>
</tr>
<tr>
<td>Technical Assistance†</td>
<td>6.46</td>
<td>0.26</td>
<td>6.72</td>
</tr>
<tr>
<td>Total</td>
<td>19.46</td>
<td>0.26</td>
<td>19.72</td>
</tr>
</tbody>
</table>

* nil, DMC = developing member country, TA = technical assistance.

Notes:
- Commitment is the financing approved by ADB’s Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.
- Grants and TA include ADB-administered cofinancing.
- Numbers may not sum precisely because of rounding.
- Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

### Solomon Islands: Cumulative Commitments* b, c, d

<table>
<thead>
<tr>
<th>Sector No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Amount ($ million)*</td>
</tr>
<tr>
<td>% of Total Amount*</td>
</tr>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
</tr>
<tr>
<td>Education</td>
</tr>
<tr>
<td>Energy</td>
</tr>
<tr>
<td>Finance</td>
</tr>
<tr>
<td>Health</td>
</tr>
<tr>
<td>Industry and Trade</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>Multisector</td>
</tr>
<tr>
<td>Public Sector Management</td>
</tr>
<tr>
<td>Transport</td>
</tr>
<tr>
<td>Water and Other Urban Infrastructure and Services</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

* Grants and TA include ADB-administered cofinancing.
† Includes loans, grants, and TA.
* Using primary sector in the reporting of commitments.
† From 2020, financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
* Numbers may not sum precisely because of rounding.

DMC = developing member country, TA = technical assistance.

1 Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.

Updated as of September 2023
has helped scale up the scope of the Urban Water Supply and Sanitation Sector Project (UWSSP).

In 2019, ADB committed a $12-million grant and $18 million in concessional financing to support implementation of the Tina River Hydropower Project alongside other cofinancers including the Government of Australia and the World Bank. The project will substantially increase electricity supply generated from renewable sources in Honiara. A separate $6.79-million grant for the Solar Power Development Project supports the implementation of grid-connected solar to supply clean electricity and reduce reliance on expensive diesel imports.

In 2018, ADB committed a $3-million grant for preparing the UWSSP. This project readiness financing led to the approval of $37 million in loans and grants for the actual project in 2019. The project is now helping improve the efficiency, accessibility, and sustainability of safe water and sanitation in urban and peri-urban areas of Solomon Islands.

The Higher Education in the Pacific Investment Program supports the expansion of the University of South Pacific campus in Solomon Islands. The program is constructing a new campus and will enhance technology-based distance learning programs.

Operational challenges. Solomon Islands shares common features with other small island developing states, such as large portions of the population living far from major markets, weak transport infrastructure, high transport costs, irregular transport services, and vulnerability to exogenous economic shocks and the impacts of climate change. Creating an environment that fosters inclusive and environmentally sustainable growth remains a challenge, considering that the country has a small domestic market, narrow economic base, and low economic diversification based on agricultural and unsustainable logging as its primary export industry. In 2022, economic activity was hampered by COVID-19 community transmission and government-imposed trade and travel restrictions that slowed down project implementation. The country continues to exhibit characteristics of a fragile state, with occasional incidents of civil unrest.

**KNOWLEDGE WORK**

Solomon Islands continues to face capacity constraints and knowledge gaps affecting public sector performance, private sector development, social and environment safeguards, and gender equality. In 2022, the ADB-supported Pacific Private Sector Development Initiative published several reports including Reopening Borders to Tourism in Pacific Island Countries: Key Lessons and Guidance, which features lessons from Solomon Islands, and A Secure Retirement: Leveling the Playing Field for Women in the Pacific, which discusses women’s access to superannuation in Solomon Islands. The ADB-supported Pacific Region Infrastructure Facility undertook a study titled Enhancing Procurement Practice and Local Content in Pacific Infrastructure that includes a review of infrastructure procurement practices in the Solomon Islands.
FINANCING PARTNERSHIPS
Financing partnerships enable ADB’s financing partner governments or their agencies, multilateral financing institutions, and private organizations to participate in financing ADB projects. The additional funds provided may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Solomon Islands:

- Sovereign cofinancing: $456.69 million for 16 investment projects and $9.2 million for 13 technical assistance projects since 1983

In 2022, Solomon Islands received $3.5 million loan cofinancing from the World Bank and a total of $29.46 million grant cofinancing from Australia, New Zealand, and the World Bank for the Supporting Fiscal and Economic Recovery Program – Subprogram 1.

A summary of projects with cofinancing from 1 January 2018 to 31 December 2022 is available at www.adb.org/countries/solomon-islands/cofinancing.

FUTURE DIRECTIONS
ADB’s planned support for Solomon Islands aligns with the government’s strategic focus on increased infrastructure development, prudent financial management, affordable energy, and strengthening essential health and education services. Investments in road and maritime infrastructure will enhance connectivity and spur economic activity. Planned interventions in sustainable solid waste management will increase quality of life in the country. Support to improve public financial management practices will contribute to economic recovery and enhanced productivity. Investments in renewable energy will deliver cheaper, more reliable, and cleaner power. Resilience to disasters triggered by natural hazards and health shocks will improve through the establishment of disaster–contingent financing. Investments in social infrastructure will enhance health services, and a planned education sector project will support climate-smart citizens and increase students’ employability.

Solomon Islands: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2021–2022

<table>
<thead>
<tr>
<th>Total Number of Ongoing Loans (as of 31 Dec 2022)</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 ($ million)</td>
<td>2022 ($ million)</td>
</tr>
<tr>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>2.02</td>
<td>29.85</td>
</tr>
<tr>
<td>1.21</td>
<td>11.14</td>
</tr>
<tr>
<td>7.94</td>
<td>15.82</td>
</tr>
<tr>
<td>2.56</td>
<td>16.67</td>
</tr>
</tbody>
</table>

At Risk Projects (%) (as of 31 Dec 2022)
- nil

Note: Totals may not add up because of rounding.

Based on commitments.

Includes closed loans/grants that had contract awards or disbursements during the year.

Excludes policy-based, results-based, financial intermediation/credit, CPRO (COVID-19 Pandemic Response Option), and fully administered cofinanced loans and grants.

Includes only Asian Development Fund and other ADB special funds.

 Covers active projects as of 31 December 2022.


<table>
<thead>
<tr>
<th>Total Number of Validated and Evaluated Projects and Programs</th>
<th>Highly successful and successful</th>
<th>Less than successful</th>
<th>Unsuccessful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign Operations</td>
<td>8</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Nonsovereign Operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Totals may not add up because of rounding.

Based on commitments.

Includes closed loans/grants that had contract awards or disbursements during the year.

Excludes policy-based, results-based, financial intermediation/credit, CPRO (COVID-19 Pandemic Response Option), and fully administered cofinanced loans and grants.

Includes only Asian Development Fund and other ADB special funds.

Covers active projects as of 31 December 2022.

Source: IED success rate database.

Solomon Islands: Projects Cofinanced, 1 January 2018–31 December 2022

<table>
<thead>
<tr>
<th>Cofinancing</th>
<th>No. of Projects</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign*</td>
<td>6</td>
<td>298.67</td>
</tr>
<tr>
<td>Loans</td>
<td>4</td>
<td>180.48</td>
</tr>
<tr>
<td>Grants</td>
<td>5</td>
<td>118.19</td>
</tr>
</tbody>
</table>

* A project with more than one source of cofinancing is counted once.
ADB IS COMMITTED TO ACHIEVING A PROSPEROUS, INCLUSIVE, RESILIENT, AND SUSTAINABLE ASIA AND THE PACIFIC, WHILE SUSTAINING ITS EFFORTS TO ERADICATE EXTREME POVERTY.

It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,775 staff from 66 members as of 31 December 2022.

ADB maximizes the development impact of its assistance to its members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB met strong demand for its assistance in 2022. It unlocked greater resources for its members through the private sector and partnerships. ADB provided financing for climate change mitigation and adaptation initiatives, education quality and access, affordable health care, and more sustainable and climate-resilient food systems. In 2022, 97% of ADB operations contributed to gender equality. ADB fostered greater regional collaboration on issues such as health threats and tax cooperation. ADB also responded to demand for tailored knowledge solutions from its members.

**FINANCING PARTNERSHIPS**

Total sovereign and nonsovereign cofinancing commitments, 2022

- $11.39 billion for 165 projects, of which:
  - $11.2 billion, 75 investment projects,
  - $126.49 million, 87 technical assistance projects,
  - $60 million transaction advisory services mandates for 3 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2022

- $151.87 billion for 3,292 projects, of which:
  - $147.81 billion, 1,163 investment projects,
  - $2.92 billion, 2,120 technical assistance projects,
  - $1.13 billion transaction advisory services mandates for 9 projects.

**PROCUREMENT**

**ADB’s Procurement Contracts, 2022**

**Goods, Works, and Related Services**

ADB’s procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations:

- $15.23 billion in 2021
- $16.19 billion in 2022
- $247.06 billion covering 228,149 contracts, cumulative procurement since 1966.

**Consulting Services**

ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- $706.65 million in 2021
- $535.61 million in 2022
- $15.45 billion covering 74,995 contracts, cumulative procurement since 1966.

**MORE ABOUT SOLOMON ISLANDS AND ADB**

Shareholding and Voting Power

- Number of shares held: 708 (0.007% of total shares)
- Votes: 39,822 (0.299% of total membership, 0.46% of total regional membership)
- *Overall capital subscription: $9.42 million
- *Paid-in capital subscription: $466,000

*United States dollar figures are valued at rate as of 31 December 2022.

**CONTACTS**

**Pacific Liaison Coordination Office (PLCO)**

Established: 2016

Regional Director: Shane Rosenthal

45 Clarence St, Level 20
Sydney 2000, NSW, Australia

Tel: +61 2 8270 9444
Fax: +61 2 8270 9445

www.adb.org/offices/pacific/main

**Solomon Islands Pacific Country Office**

Established: 2019

Level 1, Heritage Park Commercial Building
Mendana Avenue
Honiroa, Solomon Islands

Tel: +677 23333

www.adb.org/solomon-islands

**ADB Headquarters**

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Tel: +63 2 8632 4444
Fax: +63 2 8636 2444

www.adb.org

**Ministry of Finance and Treasury**

P.O Box 26, Honiara

Tel: +677 21058/21074
Fax: +677 27855

**Useful ADB websites**

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org

Notes: (i) Figures are estimated by ADB unless otherwise stated.
*“$” refers to United States dollars. (ii) Data are updated as of 31 December 2022 unless otherwise indicated.